

UTILITY COMMITTEE

A G E N D A

July 9, 2007 - 5:00 P.M. - Council Chambers - City Hall - City of Dover

Public comments are welcomed on any item and will be permitted at appropriate times.

When possible, please notify the City Clerk (736-7008 or e-mail at Tmcdowell@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Tidewater Agreement
2. Updates
 - A. Brown Water
 - B. Verizon Franchise Agreement Negotiations
3. Adjournment by 6:00 P.M.

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ACTION FORM

PROCEEDING: Utility Committee	AGENDA ITEM NO.: 07-09-2007
DEPARTMENT OF ORIGIN: Public Utilities – Water	DATE SUBMITTED: June 1, 2007
PREPARED BY: Ronald Lunt – Public Utilities Director	
SUBJECT: Agreement with Tidewater Regarding Water Service Rights – Wilmington College	
REFERENCE: N/A	
RELATED PROJECT: Scarborough Road Interconnection (Tidewater Utilities)	
APPROVALS: City Council	
EXHIBITS: Agreement Regarding Water Service Rights	
EXPENDITURE REQUIRED: N/A	AMOUNT BUDGETED: N/A
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIMETABLE: City Manager to sign agreement following receipt of appropriate approvals.	
RECOMMENDED ACTION: Approve agreement regarding water service rights with Tidewater Utilities regarding service at the Wilmington College Property and authorize the City Manager and Finance Director to execute the agreement.	

BACKGROUND AND ANALYSIS

The City of Dover has served potable water and provided fire protection service to the Wilmington College building located 3282 North DuPont Highway since March 2004. This building is located within Tidewater Utility's Certificate of Public Convenience and Necessity (CPCN) territory. As such, City staff has been working with Tidewater to develop an equitable agreement which results in the City receiving the right to serve this customer and Tidewater relinquishing its rights under the current CPCN. The result of these negotiations is the Agreement Regarding Water Service Rights which is attached. Conditions of this agreement include the following:

1. Construction of a twelve-inch (12") diameter water main along the northern property line of Wilmington College in an easterly direction to a proposed interconnection location with Tidewater Utilities. (This project was completed in FY 2007.)
2. Construction of valves, vault(s) and meter(s) at the proposed interconnection location. (This project is proposed for FY 2008. Work is to be completed by the Public Utilities Construction Division and expenses are to be equally shared between the City of Dover and Tidewater Utilities.)

AGREEMENT REGARDING WATER SERVICE RIGHTS

THIS AGREEMENT, made this ____ day of _____, 2007, by and between Tidewater Utilities, Inc., hereinafter referred to as "Utility," and the City of Dover, Delaware, hereinafter referred to as "City":

WITNESSETH:

WHEREAS, the City has served potable water and fire protection to the Wilmington College building located at 3282 North DuPont Highway (Building #1) since March 2004;

WHEREAS, said building is located within the territory encompassed by the Utility's duly granted Certificate of Public Convenience and Necessity (CPCN);

WHEREAS, said building is located on land that is contiguous to the City's water service area and is now located within the City's municipal boundary;

WHEREAS, the City desires to acquire the right to serve water to said Building #1 pursuant to the terms of this Agreement;

WHEREAS, the Utility is willing to relinquish its right to serve water to Building #1 as shown on Exhibit A under its CPCN, pursuant to the terms of this Agreement;

NOW, THEREFORE, the City and Utility, in consideration of the mutual promises, benefits, and other good and valuable considerations, intending to be bound hereby agree as follows:

1. The Utility shall take whatever legal steps are necessary and within its power to abandon, transfer, convey, assign, release, or otherwise relinquish to the City all the Utility's rights and interests under its CPCN to the area (hereinafter Property) identified in Exhibit A, attached hereto, which encompasses the aforesaid building. The Tax ID reference to this area is Tax Parcel # ED-05-057.00-01-46.01-000. The parties hereto recognize that the Delaware

Public Service Commission (PSC) may have jurisdiction over such action as it relates to the Property. The parties anticipate that the PSC will review and approve an application or applications which will result in the parties' CPCN territories being adjusted so that the Property will be deleted from the Utility's CPCN territory and added to the City's CPCN territory. The parties agree to undertake whatever steps are deemed necessary to satisfy the PSC requirements so that Utility relinquishes its rights and the City is able to acquire the rights to serve water to the Property. Such steps shall be taken with reasonable promptness.

2. The City has constructed a 12" diameter D.I.P. water main from the U.S. 13 right-of-way in an easterly direction along the northern property line of Wilmington College to extend water service to the proposed meter vault location to facilitate the interconnection as shown in Exhibit B, attached hereto. The City of Dover will own and maintain the water main up to the proposed meter vault. The purpose of the interconnection is to give both the City and the Utility a back-up source of water in the event either's water supply is insufficient. A second purpose of the interconnection is to enable the Utility, if it so desires, to purchase water from the City to serve new customers within its CPCN territory but outside the area defined by Exhibit A or to enable the City, if it so desires, to purchase water from the Utility in order to serve any customers within the City's CPCN territory.

3. The final improvements to complete the interconnection shall be constructed at a mutually agreeable point in time exclusive of this agreement. These improvements include valves, a vault(s) and a meter(s). Each party agrees to contribute 50% of the total cost of these improvements. The valves, vault(s) and meter(s) will also be owned equally (50/50) by the parties and any operation and maintenance would be equally shared. The timing of this final improvement has not been defined in this agreement to afford for a needs assessment from each party to determine the proper time to construct the final improvement.

4. Once the interconnection is completed, the parties shall have the right to purchase water from each other at the rates established for each party's other customers (e.g., the City would sell water to the Utility at the rate the City charges its "In City" customers). Neither party shall refuse to so sell water to the other party unless by so doing it is unable to service its own current customers.

5. The Utility hereby waives any and all rights to assert any claim against City arising out of the Utility's CPCN and the City serving water to Wilmington College at the Property prior to and after the effective date of this agreement, provided the City satisfies all its obligations under this agreement.

6. This Agreement shall be binding on the parties hereto, and all personal representatives, executors, administrators, heirs, successors, and assigns. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware. This agreement encompasses the entire understanding of the parties and no modification or change shall be effective unless made in writing and executed by all parties. The failure of a party to insist on strict enforcement of the terms and conditions of this Agreement shall not constitute a waiver or relinquishment of rights regarding any future enforcement.

IN WITNESS THEREOF, the said parties have executed this Agreement through the undersigned individuals who are duly authorized to and hereby do bind the respective parties to this Agreement.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CITY OF DOVER, DELAWARE

Attest: _____

Attest: _____

TIDEWATER UTILITIES, INC.

Attest: _____

Attest: _____

STATE OF DELAWARE)
)
COUNTY OF KENT) SS.:

BE IT REMEMBERED that on this ____ day of _____, 2007, personally came before me, the Subscriber, a Notary Public for the State of Delaware, _____ of the City of Dover, Delaware, existing under the laws of the State of Delaware, a party to this Agreement, known to me personally to be such, and acknowledges this Agreement to be his act and the act of the City of Dover, that the signature of the _____ thereto is in his own proper handwriting and that he was duly authorized to bind the City of Dover to this Agreement.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

Notary Public

STATE OF DELAWARE)
)
COUNTY OF KENT) SS.:

BE IT REMEMBERED that on this ____ day of _____, 2007, personally came before me, the Subscriber, a Notary Public for the State of Delaware, _____, on behalf of Tidewater Utilities, Inc., a Delaware corporation existing under the laws of the State of Delaware, a party to this Agreement, known to me personally to be such, and acknowledges this Agreement to be his act and the act of the Utility, that the signature of the _____ thereto is in his own proper handwriting and that he was duly authorized to bind the Utility to this Agreement.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

Notary Public

EXHIBIT A

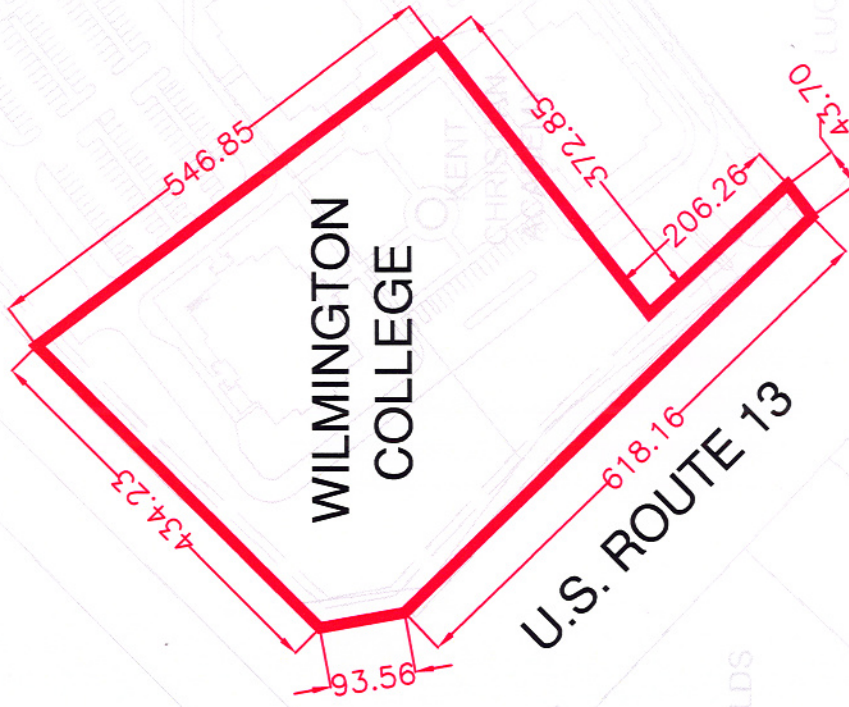


EXHIBIT B

PROPOSED
VAULT
LOCATION



750H

12" DIP

12" DIP

SCARBOROUGH ROAD

WILMINGTON COLLEGE

U.S. ROUTE 13
S.U.

12" CIP

750E

750F

8" DIP

8" DIP

12" DIP

12" DIP

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Water Quality Update



Utility Committee Presentation

July 9, 2007

Public Utilities Department

Water / Wastewater Utilities

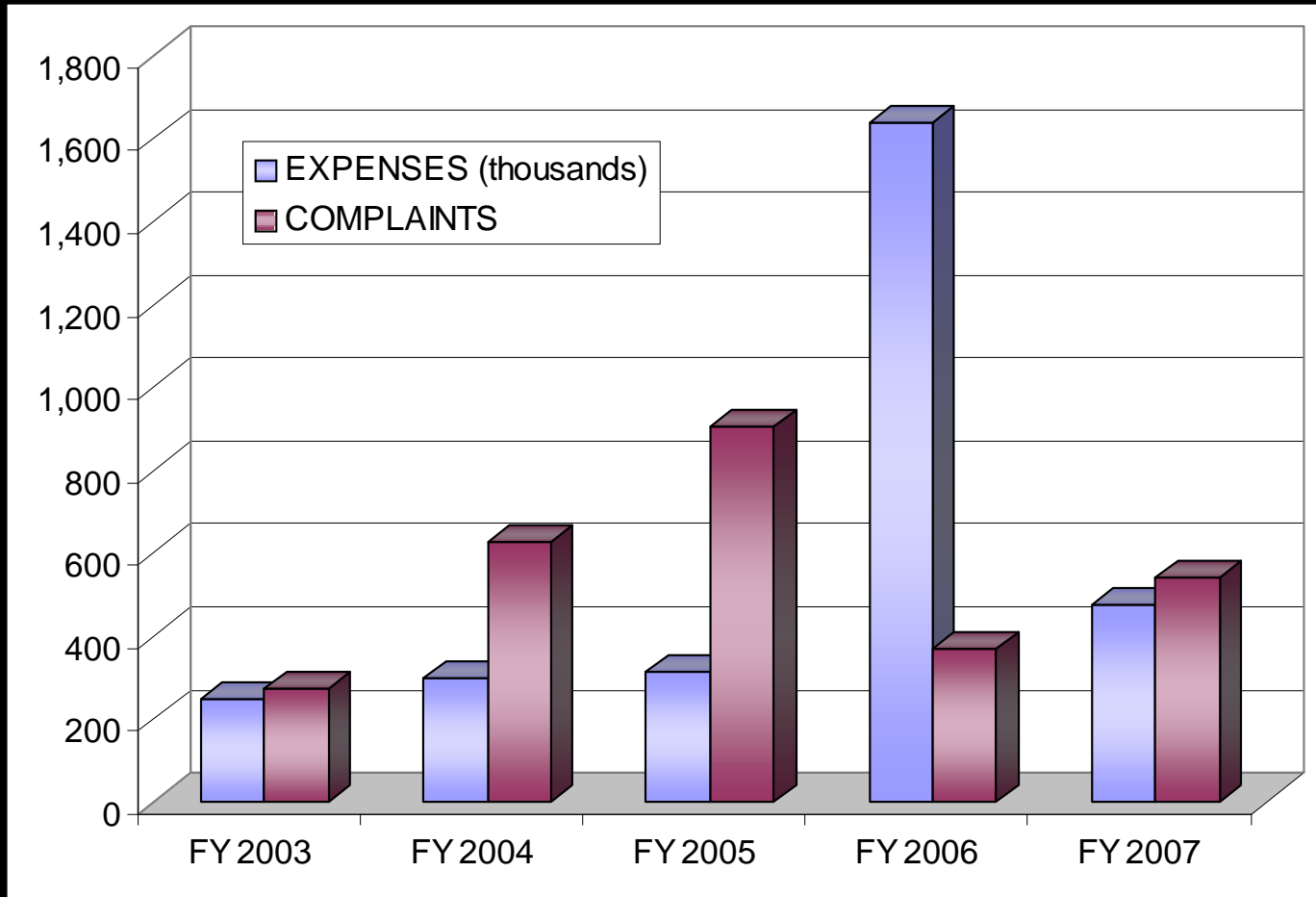
Water Quality Overview

- Water Quality issues (i.e. brown water) began in 2002 following implementation of mandated chemical addition.
- As is the case with other systems nationwide, Dover's water system was not designed for chemical addition.
 - Complex system
 - 3 aquifer sources
 - Multiple entry points (1 Water Treatment Plant and 15 unmanned wells with treatment)

Water Quality Overview

- Black & Veatch has been utilized as a Water Quality Consultant to assist in analyzing the system and finding solutions to brown water issues.
- “Magic Pill” or “Textbook” solutions do not exist.
- It will take the dedication of staff time and financial resources to address all components relating to this problem.

Water Quality Expenses



Addressing the Problem – FY 2007

② Additional Monitoring

- Conducted additional system and well monitoring and sampling

② Flushing & Operations

- Refined current flushing program for improved control
- Conducted three (3), month long system wide flushing operations
- Began design of Unidirectional Flushing Program

Addressing the Problem – FY 2007

● Deep Well Contact Time

- Well #13R – design complete, materials bid and received, construction started
- Wells #1, 2, 4, 7, 9 and 15 – design complete
- Wells #3, 6, 8, 10, 11 and 14 – design started, easements required

● Distribution System

- Pipe material control (cement lined DIP)

On the Job – FY 2007

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Taking on the Challenge – FY 2008

④ Additional Monitoring

- Conduct additional system and well monitoring and sampling
- Black & Veatch to perform analysis of sampling data and set up for in-house utilization



Taking on the Challenge – FY 2008



● Flushing & Operations

- Conduct three (3), month long system wide flushing operations
- Design and field testing for Unidirectional Flushing Program for 50% of the system (due to new operator position)
- Plot hydrant flushing data (due to new GIS technician & engineer positions)

Taking on the Challenge – FY 2008

● Distribution System

- Pipe material control (cement lined DIP)
- Develop prioritization system for ranking rehabilitation projects (due to new GIS technician & engineer positions)



Taking on the Challenge – FY 2008

● System Analysis



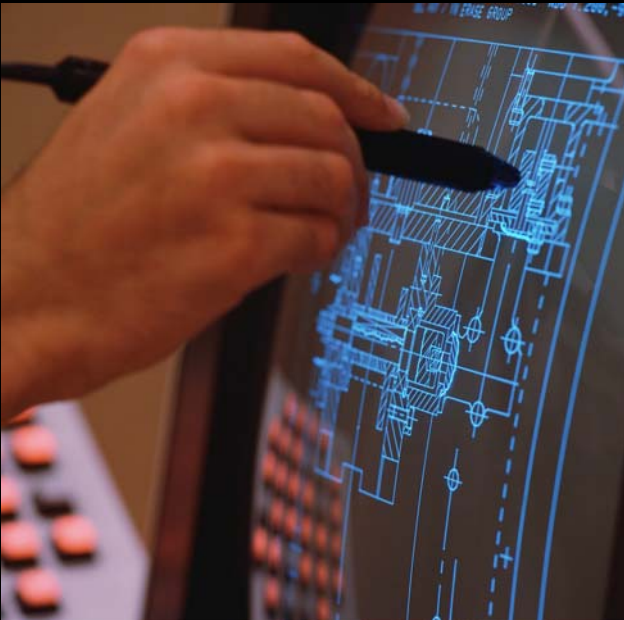
- Black & Veatch to develop water quality model
- Installation of on-line analyzers with contact chambers
- Develop GIS database system tracking (due to new GIS technician & engineer positions)
- Install new radios and antennas to enable proper equipment functioning

Capital Improvements – FY 2008

- Wellhead Redevelopment Program (capacity and flow control)
- Wellhead VFD Upgrades (improved flow control)
- Remote Control & Monitor Wells (flow control)



Capital Improvements – FY 2008



- S. Governors Avenue Water Main Upgrade
- Water Quality Improvements – Consultant
 - Perform sample data analysis
 - Develop water quality model
 - Complete contact chamber design

Capital Improvements – FY 2008

• Water Quality Improvements – Contact Chambers

- Well #13R – construct
- Wells #1, 2, 4, 7, 9 and 15 – bid materials, construct
- Wells #3, 6, 8, 10, 11, and 14 – easements required



Capital Improvements – FY 2008



- Miscellaneous Distribution System Improvements (capacity, flow control, pipe replacement)

Desired Results and Resources

- The improvements desired to the City's water system will require:
 - Increased, dedicated and long term financial resources.
 - FY 2008 Capital Budget = \$1,476,700
 - Increased, dedicated and long term staffing resources.
 - FY 2008 Goals will require time from 40 Water / Wastewater Utility staff members including engineers, field crews, construction workers, inspectors and water operators
 - Utilization of consultants and outside contractors to meet critical time frames.

CITY OF DOVER WATER QUALITY APPLICABLE EXPENDITURES

ACCOUNT #	DESCRIPTION	FY 2003	FY 2004	FY 2005	FY 2006	7/1/06-4/2/07	4/3/07 - 6/29/07	FY 2007	TO DATE	FY 2008
417-6800-568.40-31 Project #: by year	Wellhead Redevelopment Program (capacity and flow control)	\$990.00	\$150,961.29	\$143,840.15	\$23,838.98				\$319,630.42	\$45,000.00
	Wellhead VFD Upgrades (improved flow control)									\$122,000.00
	Remote Control and Monitor Wells (flow control)									\$139,700.00
417-6800-568.40-31 Project #WS0301	Water System SCADA Upgrade (flow control)	\$192,198.00	\$21,294.60						\$213,492.60	
417-6800-568.40-34 Project #WD0304	Division Street Water Main Upgrade (unlined pipe replacement)	\$12,033.20	\$8,498.73		\$1,334,251.51				\$1,354,783.44	
417-6800-568.40-34 Project #WD0306	Dead End Water Main Removal (improved flow control)	\$22,391.79							\$22,391.79	
	S. Governors Ave. Water Main Upgrade (main rehabilitation)									\$200,000.00
417-6800-568.40-34 Project #WD0504	Water Quality Evaluation (system analysis)			\$1,660.00	\$77,407.64				\$79,067.64	
417-6800-568.40-34 Project #: various	Water Quality Improvements (recommendation implementation)					\$180,790.94	\$51,969.92	\$232,760.86	\$232,760.86	\$915,000.00
417-6800-568.40-34 Project #: by year	Misc. Distribution System Improvements (capacity, flow control, pipe replacement)		\$100.00	\$56,440.04	\$20,917.96	\$25,391.96	\$11,410.41	\$36,802.37	\$114,260.37	\$55,000.00
417	TOTAL	\$227,612.99	\$180,854.62	\$201,940.19	\$1,456,416.09	\$206,182.90	\$63,380.33	\$269,563.23	\$2,336,387.12	\$1,476,700.00
412-6800-568.20-51	Claims since 12/2002 (damaged laundry, etc.)	\$1,143.31	\$3,376.00	\$5,586.40	\$2,939.41	\$1,164.93	\$38.00	\$1,202.93	\$14,248.05	
412-6800-568.30-25	Flushing Advertising	\$504.12	\$5,309.70	\$2,974.44	\$9,592.00	\$10,847.26	\$4,493.04	\$15,340.30	\$33,720.56	\$15,800.00
various	Flushing Labor (In-house) (est.)	\$19,098.00	\$106,948.80	\$101,856.00	\$165,516.00	\$181,431.27		\$181,431.27	\$574,850.07	\$187,000.00
412-6800-568	Flushing Supplies - Distribution (est.)		\$148.47	\$742.10	\$777.31	\$265.98	\$332.05	\$598.03	\$2,265.91	\$750.00
412-7600-576	Flushing Supplies - WTP (est.)				\$1,177.46	\$310.00		\$310.00	\$1,487.46	\$500.00
412-7600-576	Sample Analysis Supplies (est.)				\$3,276.90	\$4,521.48		\$4,521.48	\$7,798.38	\$4,700.00
412	TOTAL	\$20,745.43	\$115,782.97	\$111,158.94	\$183,279.08	\$198,540.92	\$4,863.09	\$203,404.01	\$634,370.43	\$208,750.00
	WATER QUALITY TOTAL	\$248,358.42	\$296,637.59	\$313,099.13	\$1,639,695.17	\$404,723.82	\$68,243.42	\$472,967.24	\$2,970,757.55	\$1,685,450.00
	WATER QUALITY COMPLAINTS	271	627	906	369			541	2,714	